

Message Text

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71

ACTION ARA-20

INFO OCT-01 ISO-00 AGR-20 COME-00 SP-03 AID-20 EB-11

NSC-07 RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01

CEA-02 L-03 H-03 TAR-02 DRC-01 /125 W

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R 141617Z JUN 74

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 7335

INFO AMEMBASSY BOGOTA

AMEMBASSY BRASILIA

AMEMBASSY GUATEMALA

AMCONSUL GUAYAQUIL

AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY QUITO

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

UNCLAS TEGUCIGALPA 2487

E.O. 11652: N/A

TAGS: ETRD, HO

SUBJ: BANANAS: MANAGER OF UNITED FRUIT TALKS TO PRESS

REF: TEGUCIGALPA 2408

1. HOUSTON H. LACOMBE, GENERAL MANAGER OF THE TELA RAILROAD COMPANY, UNITED FRUIT IN HONDURAS, MADE SEVERAL POINTS TO PRESS JUNE 1,(HE STATED THAT THE BELIEF THAT THE SURCHARGE ON BANANAS WOULD BE PASSED AUTOMATICALLY TO THE CONSUMER DOES NOT TAKE INTO ACCOUNT THE LAW OF SUPPLY AND DEMAND. PRESENTING A DISCUSSION TO THE PRESS, HE NOTED THAT THE TELA RAILROAD COMPANY HAD OPERATED WITH LOSSES ON ITS SALES DURING THE FIRST MONTHS OF 1974 BUT THAT PRICES HAD COME BACK UP RECENTLY. HE STATED THAT NORMALLY THE U.S. MARKET FOR CENTRAL AMERICAN BANANAS IS FOR ABOUT 1,800,000 TO 2 MILLION BOXES WEEKLY. WHEN THE QUANTITY PASSES THIS AMOUNT PRICES BEGIN TO FALL. THIS OCCURRED

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DURING THE FIRST MONTHS OF 1974.

2. RELATIVE TO HONDURAS, HE STATED THAT HIS COMPANY HAD EXPORTED ALL ITS PRODUCTION AND THAT OF ITS INDEPENDENT BANANA CONTRACTORS BUT HE NOTED THAT A PER BOX BANANA PRICE OF \$2.25 OR \$2.40 DOES NOT COVER COSTS EVEN IN PERIODS WHEN THERE IS NO SURCHARGE. HE STATED THAT THE CURRENT PRICE HAD GONE UP TO \$3.40.

3. HE IS QUOTED AS SAYING THAT THE PRICE OF BANANAS MUST GO UP IN A WORLD IN WHICH EVERYTHING IS MORE EXPENSIVE. THE COMPANIES IN HONDURAS HAVE HAD DISCUSSIONS WITH THE GOVERNMENT WITH THE OBJECTIVE OF INFORMING IT WHAT IS HAPPENING IN THE WORLD MARKET AND TO SEEK THE COLLABORATION OF ALL COUNTRIES IN ORDER THAT THE BANANA MARKET SITUATION BE NORMALIZED IN A SHORTEST POSSIBLE TIME.
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Message Attributes

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30 JUN 2005

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To: STATE
Type: TE
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